

AMENDED IN ASSEMBLY APRIL 20, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 206

**Introduced by Assembly ~~Members Haynes and Levine~~ Member
Haynes**

January 31, 2005

An act to amend Section 5060 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 206, as amended, Haynes. Vehicles: special interest license plates.

Existing law authorizes an organization to apply to the Department of Motor Vehicles to establish a special interest license plate program and the department is required to authorize that participation if the issuance of those plates is required by statute and the organization is tax exempt, submits a financial plan describing the purpose for which certain revenues generated from the sale of the plates will be used, and submits an essential design of the proposed special interest license plate that, among other things, provides for the placement of the number and letter characters in a manner that allows for law enforcement to readily identify those characters.

This bill would instead require the Department of Motor Vehicles to authorize a special interest license plate program under those same conditions, *except that the bill would prohibit a special interest license plate from containing language that is not protected under the United States Constitution or the California Constitution*. The bill would allow a special interest license plate program established by a *specific* statute that is effective on or before January 1, 2006, to continue to be valid.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5060 of the Vehicle Code is amended to
2 read:

3 5060. (a) An organization may apply to the department for
4 participation in a special interest license plate program and the
5 department shall issue special license plates for that program if
6 the sponsoring organization complies with the requirements of
7 this section, and the organization meets all of the following
8 criteria:

9 (1) Qualifies for tax-exempt status under Section 501(c)(3) of
10 the Internal Revenue Code and Section 23701d of the Revenue
11 and Taxation Code.

12 (2) Submits a financial plan describing the purposes for which
13 the revenues described in paragraph (2) of subdivision (e) will be
14 used.

15 (3) Submits a design of the organization's proposed special
16 interest license plate that, among other things, provides for the
17 placement of the number and letter characters in a manner that
18 allows for law enforcement to readily identify those characters.

19 (b) A person described in Section 5101 may apply for special
20 interest license plates, in lieu of the regular license plates.

21 (c) The design criteria for a special interest license plate are as
22 follows:

23 (1) The license plate for a passenger vehicle, commercial
24 vehicle, or trailer shall provide a space not larger than 2 inches
25 by 3 inches to the left of the numerical series and a space not
26 larger than five-eighths of an inch in height below the numerical
27 series for a distinctive design, decal, or descriptive message as
28 authorized by this article. The plates shall be issued in sequential
29 numerical order or, pursuant to Section 5103, in a combination of
30 numbers or letters.

31 (2) Special interest license plates authorized under this article
32 may be issued for use on a motorcycle. That license plate shall
33 contain a five digit configuration issued in sequential numerical
34 order or, pursuant to Section 5103, in a combination of numbers
35 or letters. There shall be a space to the left of the numerical series

for a distinctive design or decal and the characters shall contrast sharply with the uniform background color. No motorcycle plate containing a full plate graphic design is authorized. Those particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(3) A special interest license plate may not contain language that is not protected under the United States Constitution or the California Constitution.

(d) (1) An organization shall not be included in the program until not less than 7,500 applications for the particular special interest license plates are received. Each organization shall collect and hold applications for the plates. Once the organization has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue any special interest license plate until an organization has received and submitted to the department not less than 7,500 applications for that particular special interest license plate within the time period prescribed in this section. Advanced payment to the department by an organization representing the department's estimated or actual administrative costs associated with the issuance of a particular special interest license plate shall not constitute compliance with this requirement. The organization shall have 12 months, following the authorization of the department or the effective date of the enactment of the specific legislation enabling the organization to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the organization shall immediately do either of the following:

(A) Refund to all applicants any fees or deposits that have been collected.

(B) Contact the department to indicate the organization's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If an organization elects to exercise the option under this paragraph, it shall contact each applicant who has submitted an application

1 with the appropriate fees or deposits to determine if the applicant
2 wishes a refund of fees or deposits or requests the continuance of
3 the holding of the application and fees or deposits until that time
4 that the organization has received 7,500 applications. The
5 organization shall refund the fees or deposits to any applicant so
6 requesting. In no event shall an organization collect and hold
7 applications for a period exceeding 24 months following the date
8 of authorization as described in paragraph (1) of subdivision (d).

9 (C) Sequential plate fees shall be paid for the original
10 issuance, renewal, retention, replacement, or transfer of the
11 special interest license plate as determined by the organization
12 and authorized by department's regulations. Those plates
13 containing a personalized message are subject to the fees
14 required pursuant to Sections 5106 and 5108 in addition to any
15 fees required by the special interest license plate program.

16 (2) (A) If the number of currently outstanding and valid
17 special interest license plates in any particular program provided
18 for in this article is less than 7,500, the department shall notify
19 the sponsoring organization of that fact and shall inform the
20 organization that if that number is less than 7,500 one year from
21 the date of that notification, the department will no longer issue
22 or replace those special interest license plates.

23 (B) Those particular special interest license plates that were
24 issued prior to the discontinuation provided by subparagraph (A)
25 may continue to be used and attached to the vehicle for which
26 they were issued and may be renewed, retained, or transferred
27 pursuant to this code.

28 (e) (1) The department shall deduct its costs to develop and
29 administer the special interest license plate program from the
30 revenues collected for the plates.

31 (2) The department shall deposit the remaining revenues from
32 the original issuance, renewal, retention, replacement, or transfer
33 of the special interest license plate in a fund which shall be
34 established by the Controller.

35 (f) When payment of renewal fees is not required as specified
36 in Section 4000, or when a person determines to retain the
37 special interest license plate upon a sale, trade, or other release of
38 the vehicle upon which the plate has been displayed, the person
39 shall notify the department and the person may retain and use the
40 plate as authorized by department regulations.

1 (g) An organization that is eligible to participate in a special
2 interest license plate program pursuant to this article and receives
3 funds from the additional fees collected from the sale of special
4 interest license plates shall not expend annually more than 25
5 percent of those funds on administrative costs, marketing, or
6 other promotional activities associated with encouraging
7 application for, or renewal of, the special interest license plates.

8 (h) (1) An organization authorized by the department under
9 this section, or, on or before January 1, 2006, required by specific
10 legislation under this article to offer special interest license plates
11 shall prepare and submit an annual accounting report to the
12 department by June 30. The report shall include an accounting of
13 all revenues and expenditures associated with the special interest
14 license plate program.

15 (2) If an organization submits a report pursuant to paragraph
16 (1) indicating that the organization violated the expenditure
17 restriction set forth in subdivision (g), the department shall
18 immediately cease depositing fees in the fund created by the
19 Controller for that organization under paragraph (2) of
20 subdivision (e) and, instead, shall deposit those fees that would
21 have otherwise been deposited in that fund in a separate fund
22 created by the Controller, which fund is subject to appropriation
23 by the Legislature. The department shall immediately notify the
24 organization of this course of action. The depositing of funds in
25 the account established pursuant to this paragraph shall continue
26 until the organization demonstrates to the satisfaction of the
27 department that the organization is in compliance or will comply
28 with the requirements of subdivision (g). If one year from the
29 date that the organization receives the notice described in this
30 paragraph, the organization is still unable to satisfactorily
31 demonstrate to the department that it is in compliance or will
32 comply with the requirements of subdivision (g), the department
33 shall no longer issue or replace those special interest license
34 plates associated with that organization. Those particular special
35 interest license plates that were issued prior to the
36 discontinuation provided by this paragraph may continue to be
37 used and attached to the vehicle for which they were issued and
38 may be renewed, retained, or transferred pursuant to this code.

39 (3) Upon receiving the reports required under paragraph (1),
40 the department shall prepare and transmit an annual consolidated

1 report to the Legislature containing the revenue and expenditure
2 data.

3 (i) For special interest license plate programs required under
4 this article by *specific* legislation that became effective on or
5 before January 1, 2006, an organization may apply to the
6 department for participation in one of those special interest
7 license plate programs and the department shall issue special
8 license plates for that program, if the sponsoring organization
9 complies with the requirements of this section and meets all of
10 the criteria in subdivision (a).